

# INDUSTRY UPDATE

Biweekly Period Ending May 6, 2000

## Phoenix Metro Area

### **Manufacturing**

A Tacoma, Wash.-based maker of window panes could "open up" employment **opportunities** for **several hundred** people in **Tempe** over the next several years. **Milgard Manufacturing, Inc.**, a 40-year-old private company, expects to open a **sales and distribution office in May** and a **manufacturing operation in late 2000**. Milgard, which has manufacturing facilities in several western states, will lease 60,000 square feet near Kyrene and Carver roads. The company will **initially** hire a **staff of about 20** for the sales and distribution business, then **add another 80** for the manufacturing facility.

### **Services**

Internet marketing company **What's For Free Technologies** expects to **double its current workforce of 70** by August when it moves into larger quarters at **Scottsdale Airport**. Most of the **new jobs** will involve **customer service or technology development**. What's For Free, which will debut its website May 23, will attempt to provide corporations and organizations with a pathway for promotion of their products and services. The company will make money from advertising, fees from linked sites, market research, and sale of database information

## Tucson Metro Area

### **Manufacturing**

**Aristocrat Technologies Inc.**, a maker of slot machines and video-gaming devices, will locate its **research and development unit** in Tucson. The Australian company will initially **hire 30 people** to design and develop

gaming software, but that number is expected to **more than triple within three years**. No site for the company has been selected, but it expects to begin hiring within two to three months. Salaries will range from \$35,000 for entry-level graphics workers to \$75,000 for experienced engineers.

**Universal Avionics**, which has about 300 of its 510 employees in Tucson, said it expects to fill an unspecified number of **software-development positions** in the near future. Known for its "black box" flight recorders — which determine causes of plane crashes — Universal also produces computerized navigation systems and color instrument panels. The Redmond, Wash.-based company has increasingly been moving jobs to Tucson since bringing its manufacturing operations there two years ago.

## Balance of State

### **Manufacturing**

A skeleton staff is operating a **Tucker Housewares plant** at **Kingman Airport Industrial Park** while parent company Zeta Consumer Products Corp. attempts to find a buyer for the Kingman plant, as well as Tucker facilities in Illinois and Texas. New Jersey-based Zeta has filed for Chapter 11 bankruptcy protection and must get court approval to sell the Tucker plants, which make plastic housewares, trash cans, and tote bags. Since last fall, **all but seven of the 110 workers** at the 478,000-square-foot Kingman plant **have been laid off**, including 33 last month. Increased competition and cost of raw materials are blamed for the company's financial problems.

Seven months after a Flagstaff-area tissue-manu-

facturing facility and paper mill were sold to Georgia-Pacific, operations are "rolling along" smoothly. Although it appeared that previous owner Wisconsin Tissue might lay off workers at the 470,000-square-foot plant in Bellemont (20 miles west of Flagstaff), the new owners are expecting **plant employment to increase by 45 percent** this year to 120. Starting pay is \$11.44 an hour. One reason for employment growth is that Georgia-Pacific recently closed its closest other operation in Bellingham, Wash.

### **Construction**

The Flagstaff City Council approved a **233,000-square-foot medical complex** on 27 acres in Switzer Canyon. The medical building, on Forest Avenue between San Francisco Street and Turquoise Drive, was scaled back about 25 percent from its original size because of traffic concerns. A 144-unit assisted-living center was also eliminated from the original proposal.

Work has begun on a project in **Payson** that includes a **six-screen movie theater** and **30,000 square feet of retail and office space**. The first phase of **Sawmill Crossing**, which will also include four additional pad sites, will be built on 7½ acres south of Main Street and west of Beeline Highway. The 16,500-square-foot movie complex, which will feature stadium seating and digital sound, is expected to open in late fall. With the exception of a Mexican restaurant, other tenants have not been announced.

### **Trade**

**Price Chopper Foods**, a warehouse-style supermarket, will **open** its doors in **mid-May** at 2530 N. Fourth St. in Flagstaff. Price Chopper, which will **employ between 60 and 80 part- and full-time workers**, will lease a 64,500-square-foot building that was formerly occupied by another no-frills grocery store (Mega Foods) that went out of business a year ago. Local ownership and the addition of a number of new or expanded departments (e.g., Pet Center) were given as reasons why Price Chopper will succeed where

Mega Foods failed.

### **Government**

Due to increased illegal immigration and rising tension along the Arizona-Mexico border, **180 new Border Patrol agents** will be assigned to the **Douglas area** by September. The move will bring the Douglas force to more than 600 agents and coincide with the start of work on a **40,000-square-foot Border Patrol station** and maintenance facility in Douglas. Completion of the \$19 million, three-building complex is expected by late 2001.

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### **Statewide**

#### **Trade**

Oklahoma City-based **The Fleming Cos.** is seriously considering **selling 56 ABCO Desert Market stores** it owns in **Arizona**, which employ 3,600 workers. Primarily a grocery wholesaler, Fleming is also contemplating selling other supermarket chains it owns in the Midwest. However, Fleming wants to continue to own a chain of Food4Less warehouse stores, of which there are three in the Phoenix area. Fleming will also **keep its Valley warehouse**, which employs 600, but its distribution relationship with ABCO could be affected by the sale.

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## **INDUSTRY UPDATE**

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